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Missouri Real Estate Malpractice Insurance Report 1997



Missouri Department of Insurance
Statistics Section

**MISSOURI
REAL ESTATE
MALPRACTICE
INSURANCE
REPORT
1997**

**Missouri Department of Insurance
Statistics Section
October 1998**

Other Publications Available

The Missouri Department of Insurance publishes the following statistical reports. These reports are available by sending a written request along with the payment of \$35 to the Missouri Department of Insurance, P.O. Box 690, Jefferson City, MO 65102-0690.

Missouri Department of Insurance Annual Report
Missouri Medical Malpractice (Closed Claim) Report
Missouri Legal Malpractice (Closed Claim) Report
Missouri Market Share Report
Missouri Products Liability (Closed Claim) Report
Missouri Health Maintenance Organization Report
Missouri Complaint Index Report
Missouri Life, Accident & Health Supplement Report
Missouri Property & Casualty Supplement Report
Missouri Commercial Liability Report
Missouri Mortgage Guaranty Report
Missouri Uninsured Auto Report

Databases Available

Medicare Supplement Experience Data
Missouri Zip Code Insurance Data for Homeowners/Dwelling Fire,
Farmowners (dwelling only), Mobile Home, Earthquake and Private Passenger Automobile

Some data is available to the public for a fee by special request only. For additional information, contact the Statistics Section at 573/751-4126.

Real Estate Malpractice Insurance Report

Executive Summary

This report is a summary of Missouri real estate malpractice data for the years 1988 to 1997. The charts, graphs and tables, limited to closed claim information, were constructed from data collected by the Missouri Department of Insurance as required by Section 383.060 RSMo. The premium and loss data obtained from the Missouri Page 15 Supplement, to the companies' annual statements is presented in the final section.

The loss ratio for real estate malpractice in Missouri during 1997 was 62 percent, which is the highest level in 10 ten years. Sixty-one claims were closed in 1997, compared to a high of 92 in 1988. Only 14 claims (23 percent) were paid with an average paid amount of \$5,614 in contrast to the record \$15,962 in 1994. The average paid amount increased only slightly, 4 percent, from 1996.

From 1988 to 1997, 579 real estate malpractice claims were closed in Missouri: 171 (30 percent) with payment, and 408 (70 percent) without payment.

In 1997 the average loss adjustment expense for all claims closed with payment was \$10,568 while the expenses for all claims closed without payment averaged only \$3,148.

In Section II, indemnities paid on closed claims are shown by various claim characteristics. The number of closed claims, average paid claim and total amount paid are included in each of these six categories:

- Area of real estate in which the claims were filed.
- Major activity in which the agent was engaged at the time the alleged error or omission occurred.
- Alleged error or omission which was the most significant reason for making the claim.

- The legal disposition of the claim at the closing date.
- The number of years the insured had been in practice at the time of the alleged error or omission.
- The relationship of the insured to the claimant.

Only six companies reported writing real estate malpractice insurance business in Missouri during 1997, compared to 11 companies reporting premium written in 1996. The three top writers of real estate malpractice insurance in Missouri maintain 90 percent of the market: Continental Casualty Company with 65 percent, Employers Reinsurance Corporation with 18 percent and Travelers Indemnity Company with 7 percent.

This report was compiled using information submitted by the insurance companies. As a result, the accuracy of this report is dependent upon the accuracy of each company's data. Copies of this report will be made available in braille, large print or on audio cassette upon request. Any questions regarding this report should be addressed to the Statistics Section, Missouri Department of Insurance, P.O. Box 690, Jefferson City, Missouri 65102-0690.

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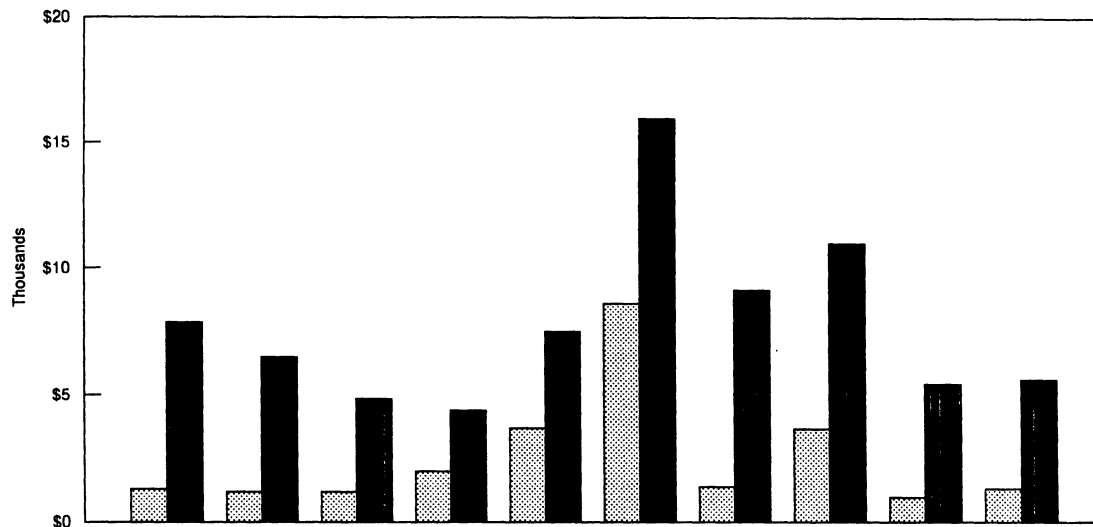
**TEN YEAR
SUMMARY
(1988-1997)**

**REAL ESTATE MALPRACTICE EXPERIENCE
TEN YEAR SUMMARY
(1988 - 1997)**

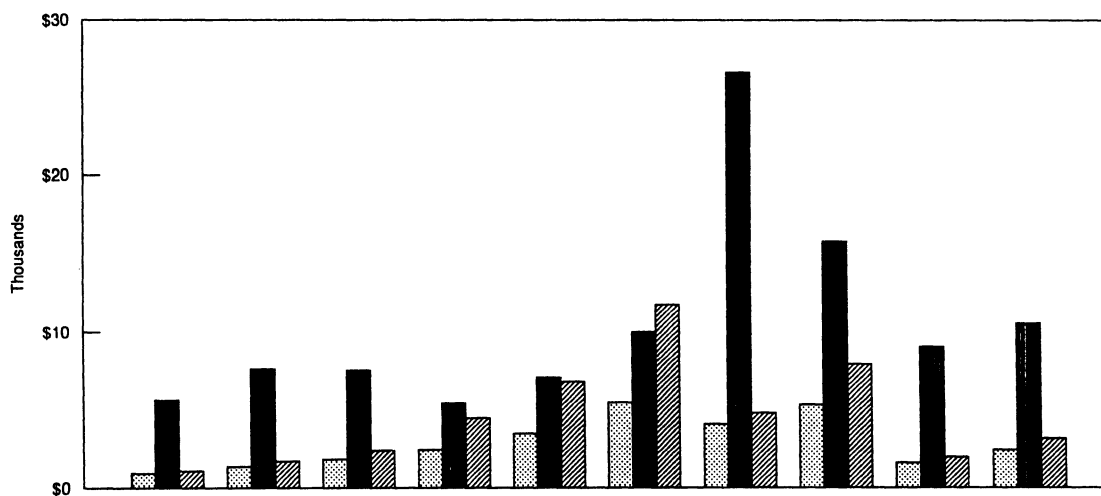
Closed Claims	Number of Claims	Percent of Claims	<u>INDEMNITY PAID</u>		<u>LOSS EXPENSES</u>	
			Total Claims Paid	Average Claim Paid	Total Expenses Paid	Average Expense Paid
All Closed Claims	579	100.0%	1,348,401	2,329	1,479,628	2,555
Closed with Payment	171	29.5%	1,348,401	7,885	930,230	5,440
Closed without Payment	408	70.5%	0	0	549,398	1,347

MISSOURI REAL ESTATE MALPRACTICE INSURANCE

AVERAGE PAID CLAIM



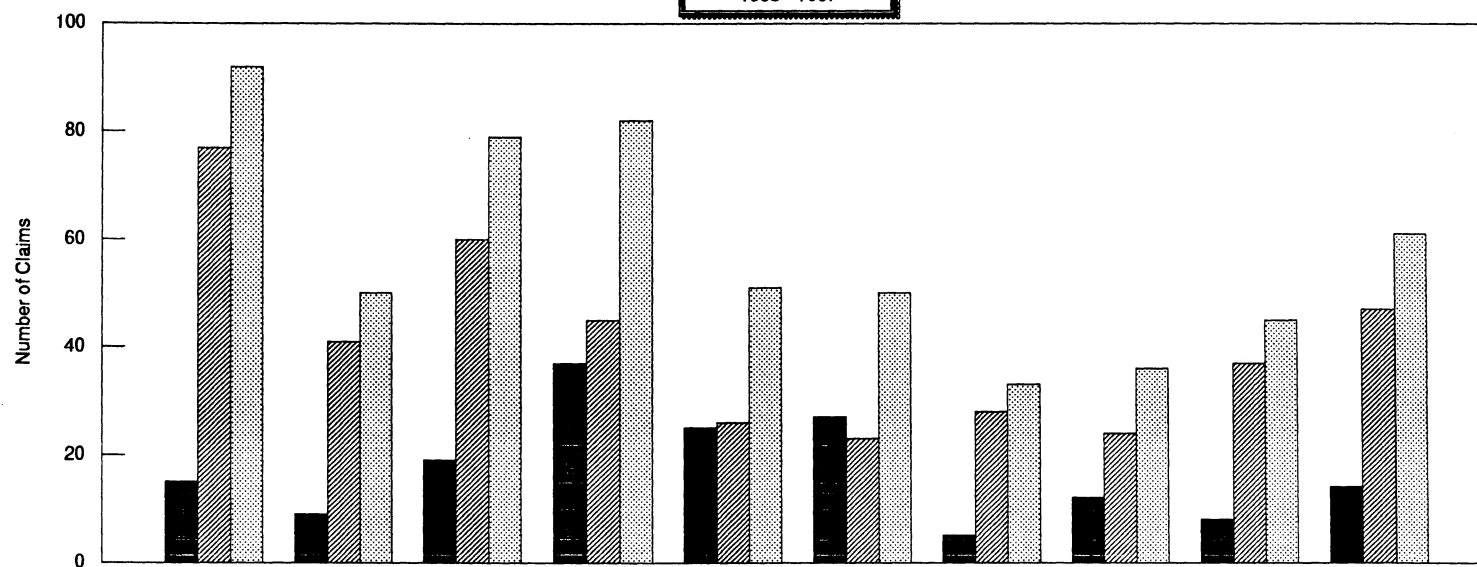
AVERAGE PAID LOSS ADJUSTMENT EXPENSE



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
ALL CLAIMS	\$904	\$1,363	\$1,803	\$2,408	\$3,441	\$5,397	\$4,035	\$5,269	\$1,604	\$2,425
CLOSED WITH PAYMENT	\$5,545	\$7,575	\$7,497	\$5,338	\$7,021	\$9,994	\$26,629	\$15,808	\$9,024	\$10,568
CLOSED WITHOUT PAYMENT	\$1,080	\$1,663	\$2,374	\$4,389	\$6,751	\$11,732	\$4,755	\$7,904	\$1,951	\$3,148

MISSOURI REAL ESTATE MALPRACTICE INSURANCE

CLAIM COUNT
1988 - 1997



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
■ CLOSED WITH PAYMENT	15	9	19	37	25	27	5	12	8	14
▨ CLOSED WITHOUT PAYMENT	77	41	60	45	26	23	28	24	37	47
▤ TOTAL	92	50	79	82	51	50	33	36	45	61

**TEN YEAR SUMMARY
&
1997 SUMMARY
BY
AREA OF REAL ESTATE**

**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
FOR YEARS 1988 - 1997**

AREA OF REAL ESTATE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
AS AGENT TO PROCURE PURCHASE OF PROPERTY	293	86	50.29%	\$10,764	\$925,725	68.65%	\$3,260
NOT SPECIFIED	201	57	33.33%	\$4,678	\$266,620	19.77%	\$1,329
AS AGENT TO PROCURE PROPERTY TO PURCHASE	82	27	15.79%	\$5,672	\$153,132	11.36%	\$2,887
OTHER	3	1	0.58%	\$2,924	\$2,924	0.22%	\$6,802
TOTAL	579	171	100.00%	\$7,885	\$1,348,401	100.00%	\$2,555

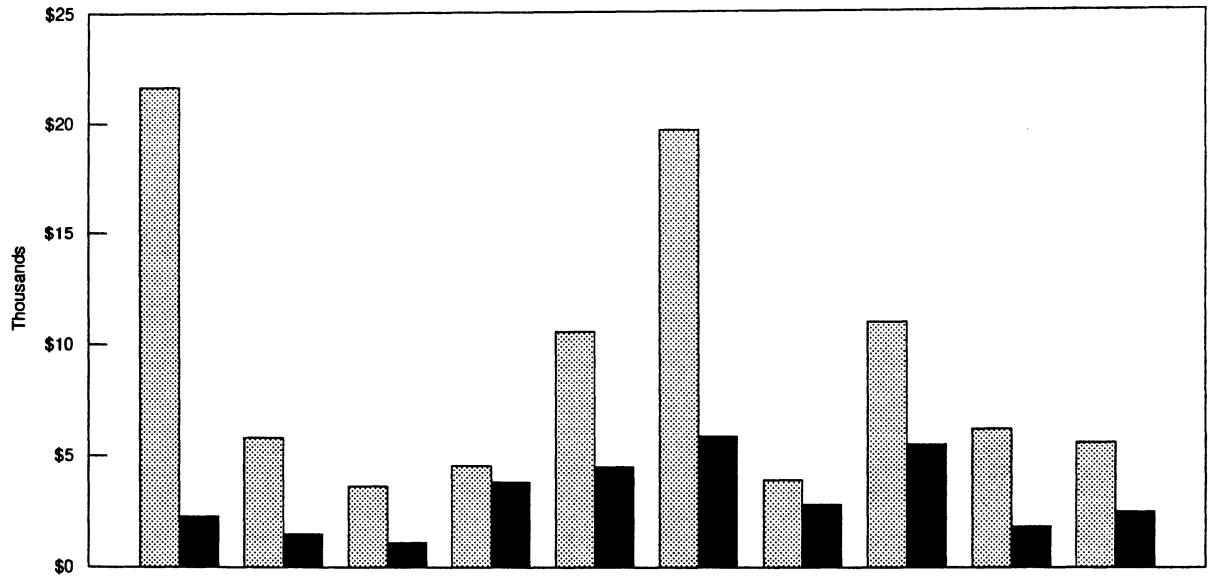
**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
CLAIMS CLOSED IN 1997**

AREA OF REAL ESTATE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
AS AGENT TO PROCURE PURCHASE OF PROPERTY	59	13	92.86%	\$5,545	\$72,090	91.73%	\$2,451
AS AGENT TO PROCURE PROPERTY TO PURCHASE	2	1	7.14%	\$6,500	\$6,500	8.27%	\$1,661
TOTAL	61	14	100.00%	\$5,614	\$78,590	100.00%	\$2,425

**AREA OF REAL ESTATE
TRENDS
OF
1997**

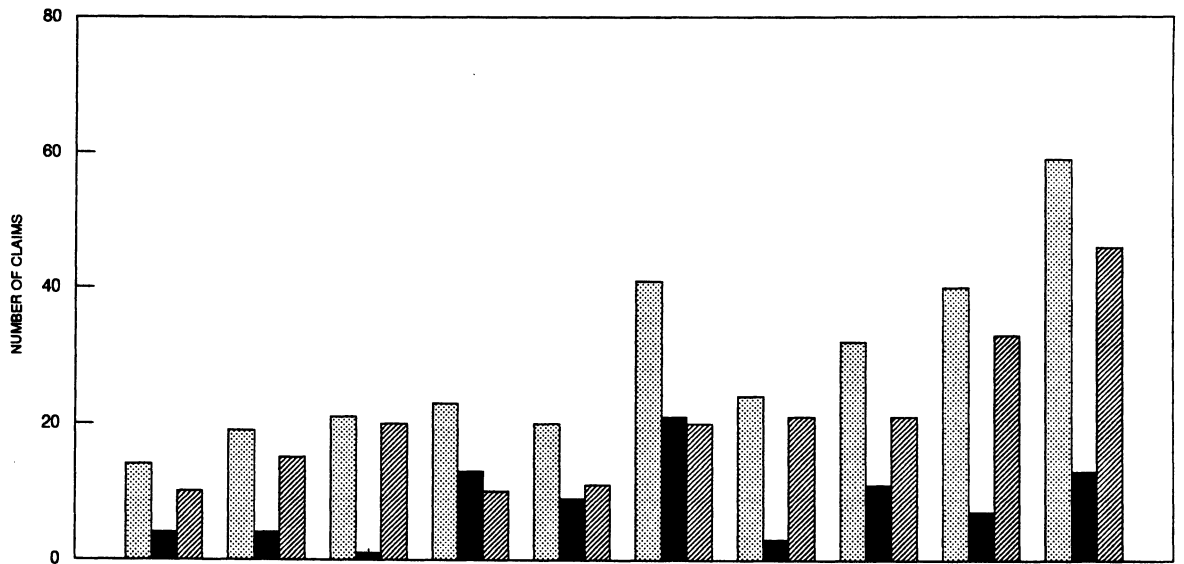
AS AGENT TO PROCURE PURCHASE OF PROPERTY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
AVG PAID INDEMNITY	\$21,850	\$5,799	\$3,606	\$4,521	\$10,517	\$19,618	\$3,884	\$10,825	\$6,145	\$5,545
AVG LOSS EXPENSE	\$2,253	\$1,483	\$1,082	\$3,774	\$4,487	\$5,823	\$2,770	\$5,456	\$1,796	\$2,451

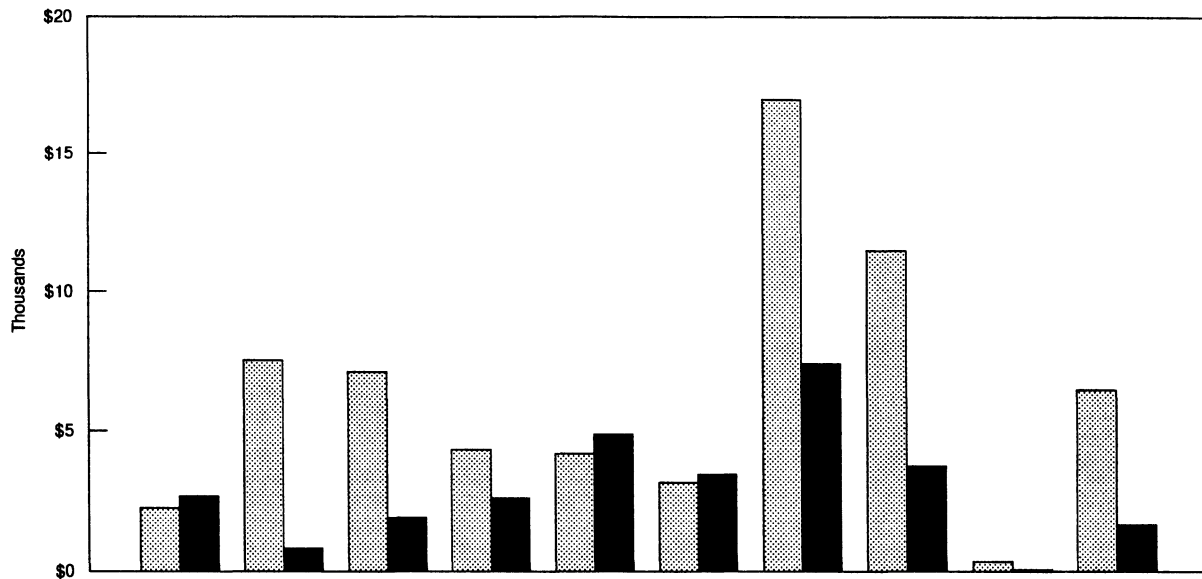
CLAIM COUNT



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
ALL CLAIMS	14	19	21	23	20	41	24	32	40	59
CLOSED WITH PAYMENT	4	4	1	13	9	21	3	11	7	13
CLOSED WITHOUT PAYMENT	10	15	20	10	11	20	21	21	33	46

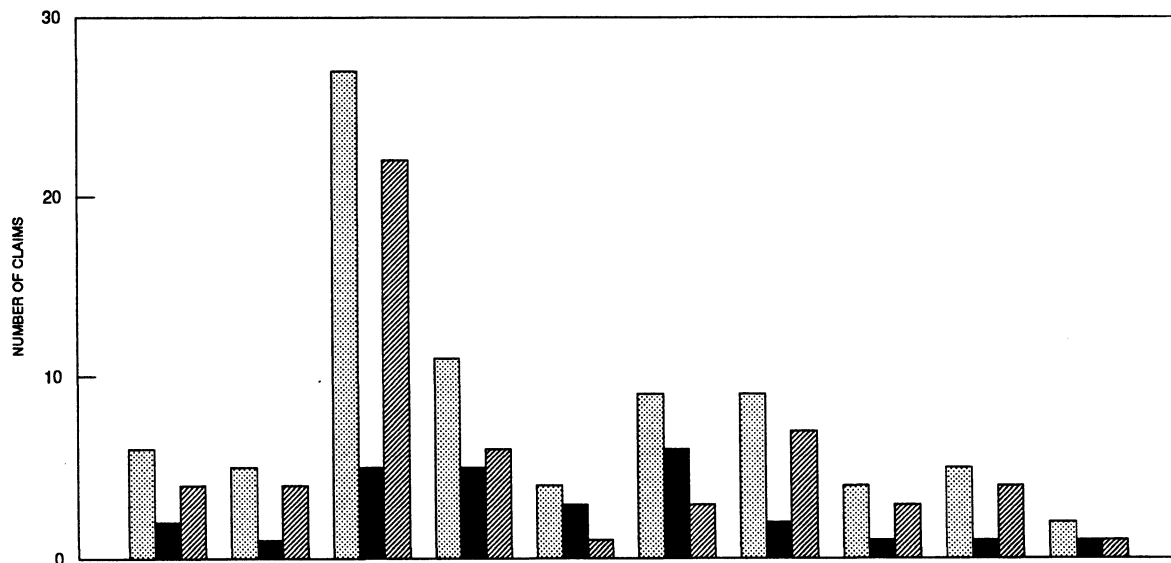
AS AGENT TO PROCURE PROPERTY TO PURCHASE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
AVG PAID INDEMNITY	\$2,250	\$7,500	\$7,095	\$4,350	\$4,190	\$3,167	\$17,000	\$11,500	\$336	\$6,500
AVG LOSS EXPENSE	\$2,682	\$810	\$1,917	\$2,618	\$4,891	\$3,455	\$7,407	\$3,772	\$67	\$1,661

CLAIM COUNT



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
ALL CLAIMS	6	5	27	11	4	9	9	4	5	2
CLOSED WITH PAYMENT	2	1	5	5	3	6	2	1	1	1
CLOSED WITHOUT PAYMENT	4	4	22	6	1	3	7	3	4	1

**TEN YEAR SUMMARY
&
1997 SUMMARY
BY
MAJOR ACTIVITY**

**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
FOR YEARS 1988 - 1997**

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
NOT SPECIFIED	201	57	33.33%	\$4,678	\$266,620	19.77%	\$1,329
LISTING THE PROPERTY FOR SALE	187	53	30.99%	\$10,192	\$540,156	40.06%	\$3,012
SHOWING PROPERTY	139	46	26.90%	\$9,757	\$448,841	33.29%	\$2,747
CLOSING AND TRANSFERRING TITLE	52	15	8.77%	\$6,186	\$92,784	6.88%	\$5,140
TOTAL	579	171	100.00%	\$7,885	\$1,348,401	100.00%	\$2,555

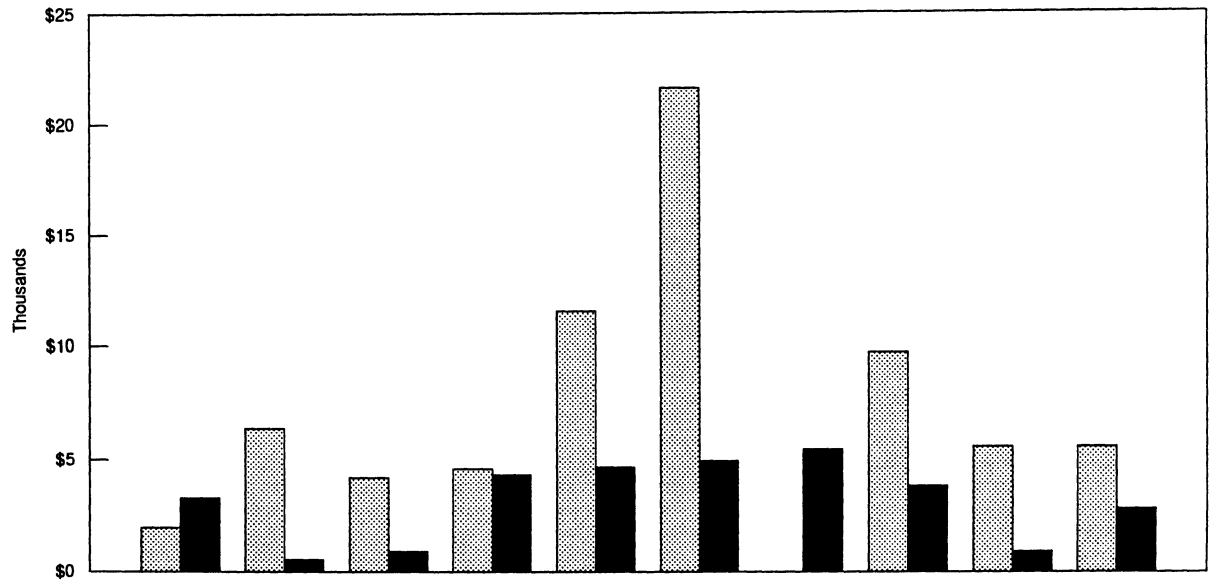
**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
CLAIMS CLOSED IN 1997**

MAJOR ACTIVITY CODE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
LISTING THE PROPERTY FOR SALE	50	13	92.86%	\$5,545	\$72,090	91.73%	\$2,811
SHOWING PROPERTY	10	1	7.14%	\$6,500	\$6,500	8.27%	\$572
CLOSING AND TRANSFERRING TITLE	1	0	0.00%	\$0	\$0	0.00%	\$1,663
TOTAL	61	14	100.00%	\$5,614	\$78,590	100.00%	\$2,425

**MAJOR ACTIVITY
TRENDS
OF
1997**

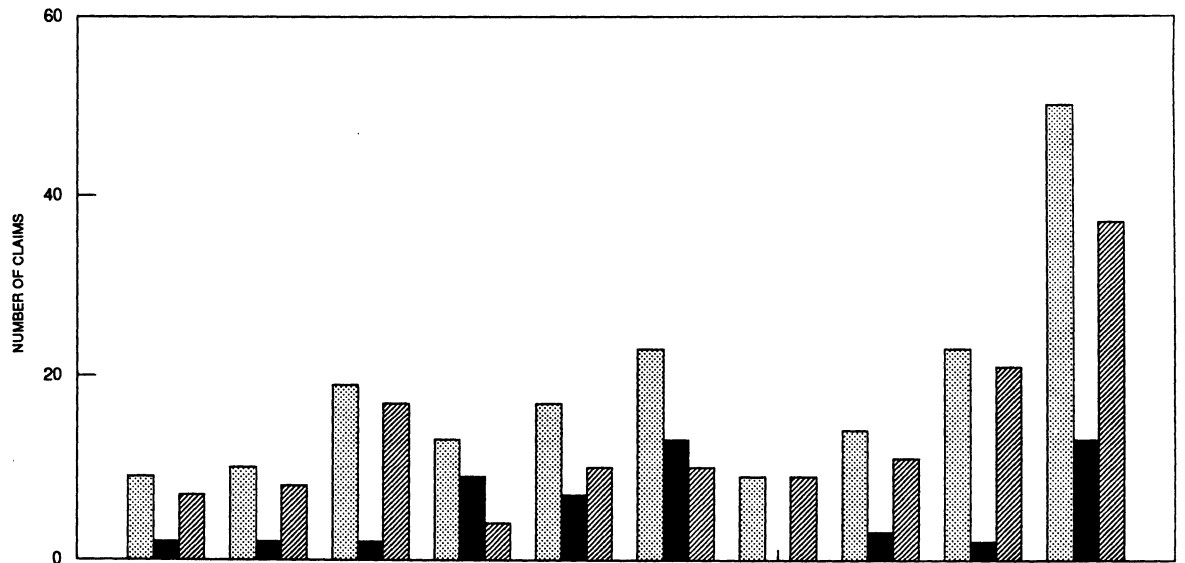
LISTING THE PROPERTY FOR SALE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
AVG PAID INDEMNITY	\$1,962	\$6,348	\$4,178	\$4,555	\$11,557	\$21,611	\$0	\$9,717	\$5,552	\$5,545
AVG LOSS EXPENSE	\$3,273	\$525	\$906	\$4,290	\$4,639	\$4,938	\$5,419	\$3,804	\$894	\$2,811

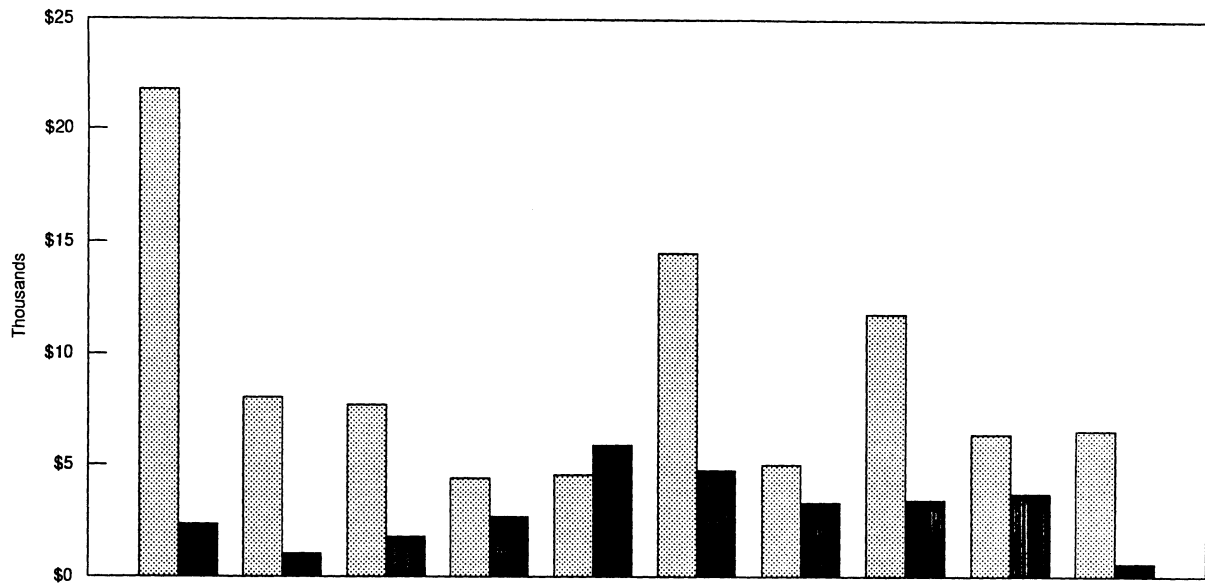
CLAIM COUNT



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
ALL CLAIMS	9	10	19	13	17	23	9	14	23	50
CLOSED WITH PAYMENT	2	2	2	9	7	13	0	3	2	13
CLOSED WITHOUT PAYMENT	7	8	17	4	10	10	9	11	21	37

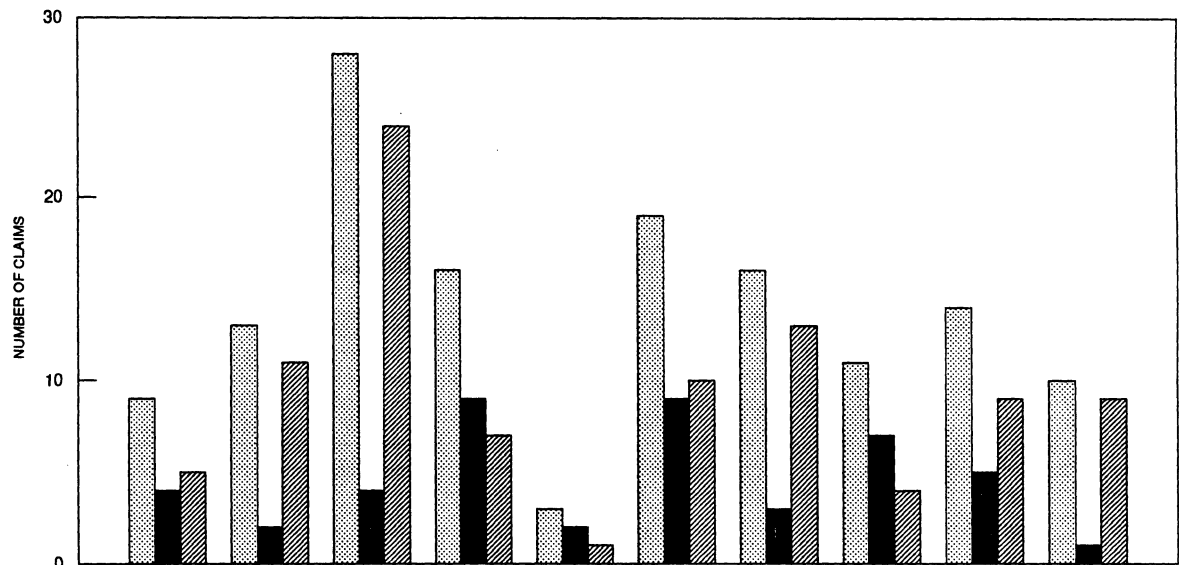
SHOWING PROPERTY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
AVG PAID INDEMNITY	\$21,775	\$8,000	\$7,682	\$4,392	\$4,535	\$14,522	\$5,000	\$11,788	\$6,339	\$6,500
AVG LOSS EXPENSE	\$2,316	\$1,021	\$1,783	\$2,677	\$5,846	\$4,721	\$3,304	\$3,415	\$3,689	\$572

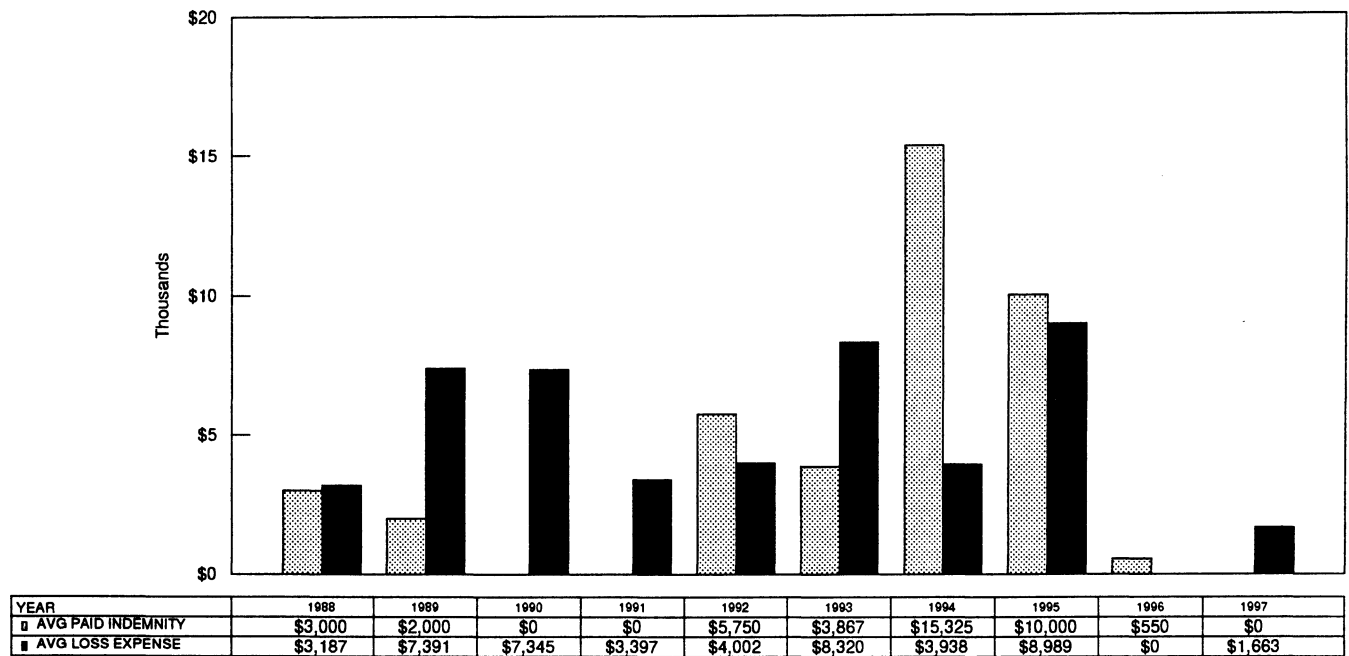
CLAIM COUNT



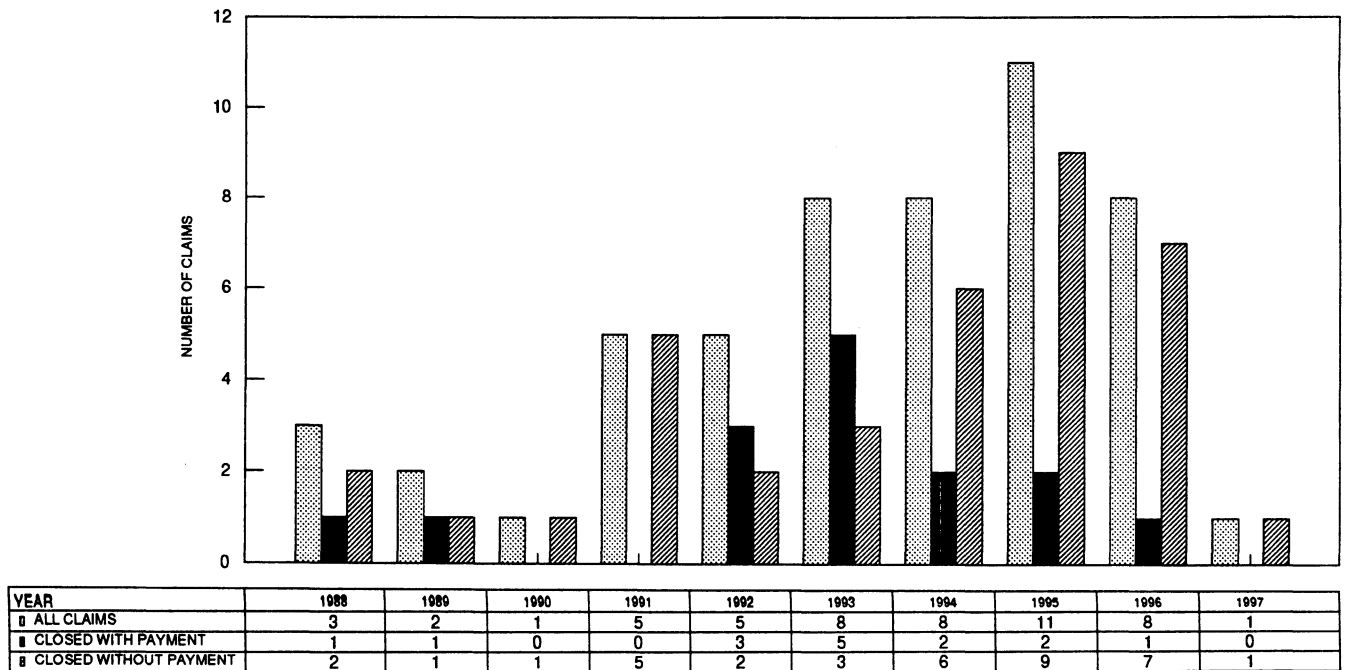
YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
ALL CLAIMS	9	13	28	16	3	19	16	11	14	10
CLOSED WITH PAYMENT	4	2	4	9	2	9	3	7	5	1
CLOSED WITHOUT PAYMENT	5	11	24	7	1	10	13	4	9	9

CLOSING AND TRANSFERRING TITLE

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



CLAIM COUNT



**TEN YEAR SUMMARY
&
1997 SUMMARY
BY
ALLEGED ERROR OR OMISSION**

**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
FOR YEARS 1988 - 1997**

ALLEGED ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
FAILURE TO DISCLOSE MATERIAL FACT ABOUT THE PROPERTY	301	92	53.80%	\$9,933	\$913,812	67.77%	\$3,143
NOT SPECIFIED	201	57	33.33%	\$4,678	\$266,620	19.77%	\$1,329
OTHER	56	13	7.60%	\$9,215	\$119,792	8.88%	\$3,377
FAILURE TO CORRECTLY COMPLETE FORMS TO TRANSFER OWNERSHIP	21	9	5.26%	\$5,353	\$48,177	3.57%	\$3,684
TOTAL	579	171	100.00%	\$7,885	\$1,348,401	100.00%	\$2,555

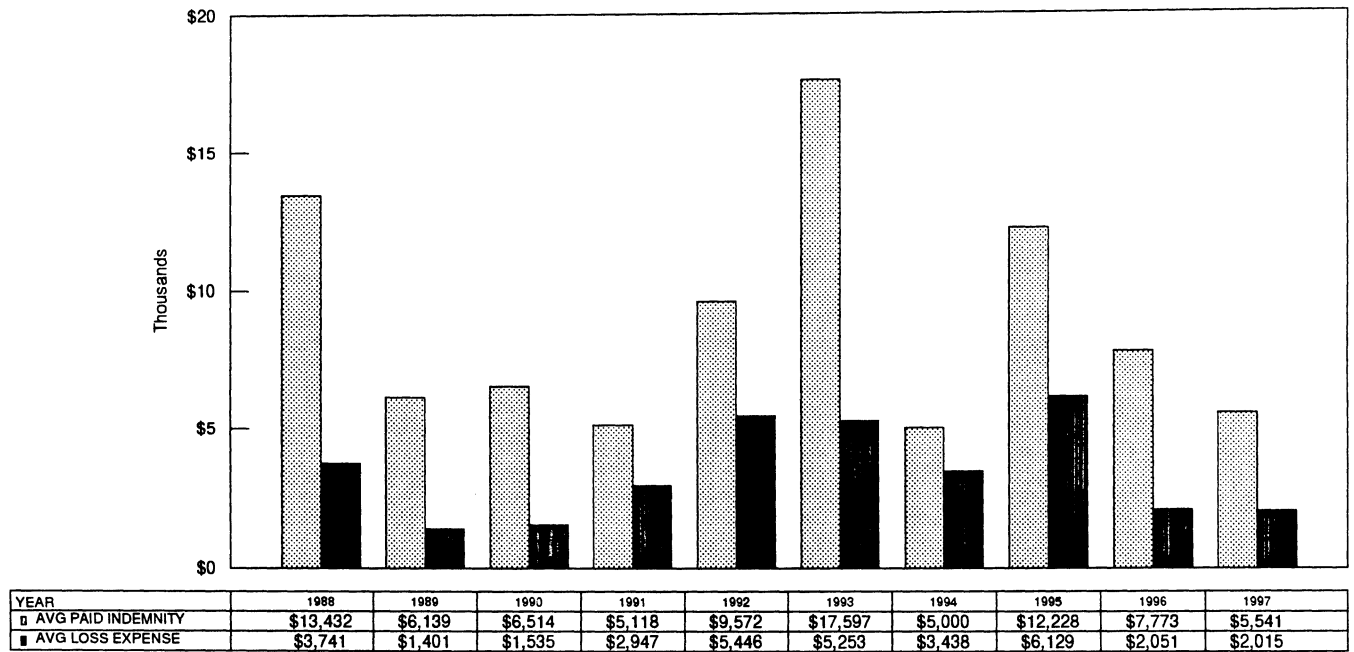
**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
CLAIMS CLOSED IN 1997**

ALLEGED ERROR OR OMISSION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
FAILURE TO DISCLOSE MATERIAL FACT ABOUT THE PROPERTY	56	13	92.86%	\$5,541	\$72,034	91.66%	\$2,015
OTHER	5	1	7.14%	\$6,556	\$6,556	8.34%	\$7,022
TOTAL	61	14	100.00%	\$5,614	\$78,590	100.00%	\$2,425

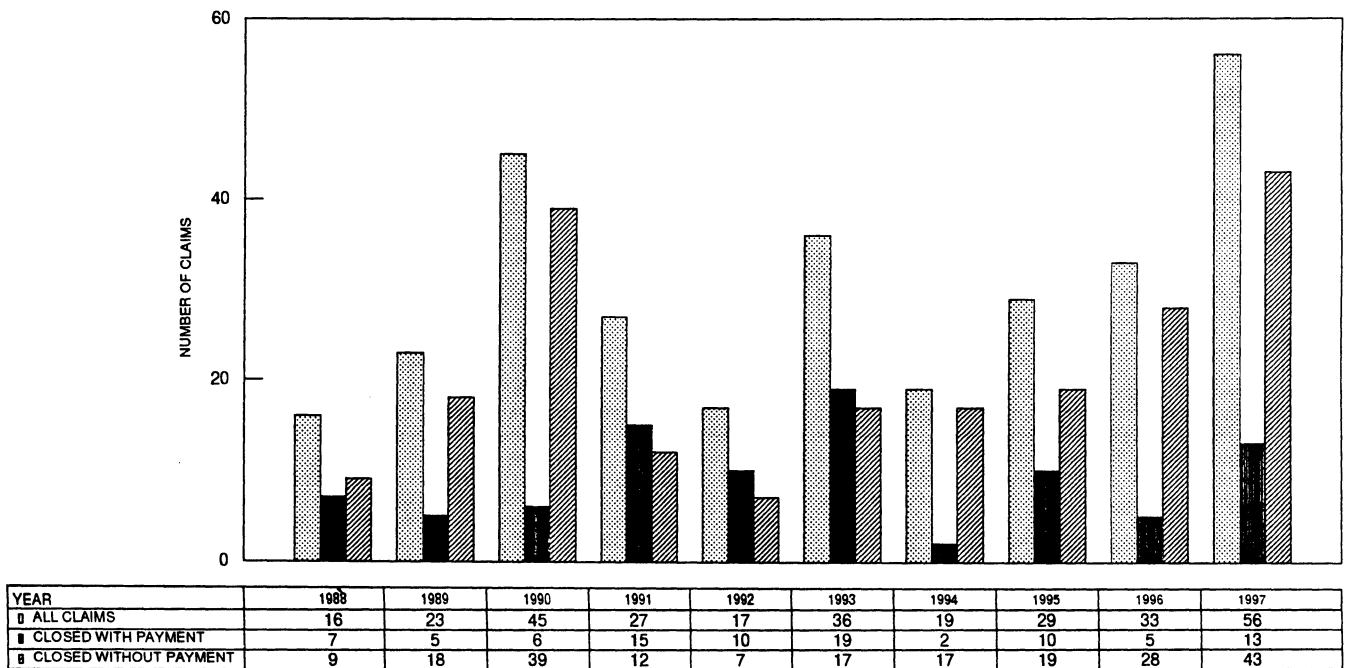
**ALLEGED ERROR OR OMISSION
TRENDS
OF
1997**

FAILURE TO DISCLOSE MATERIAL FACT ABOUT THE PROPERTY

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

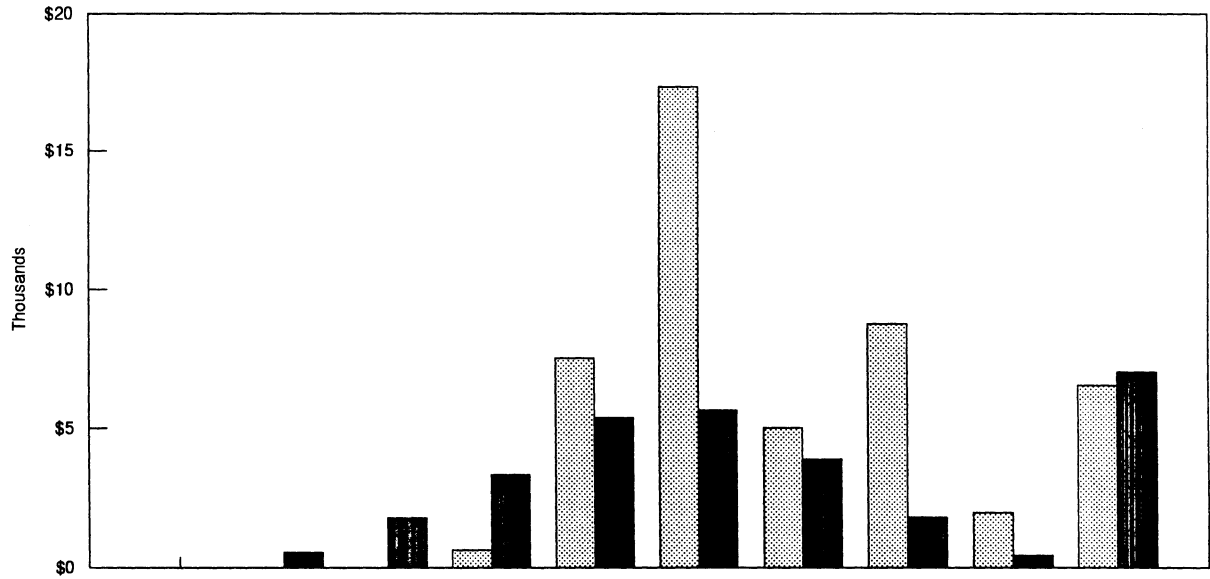


CLAIM COUNT



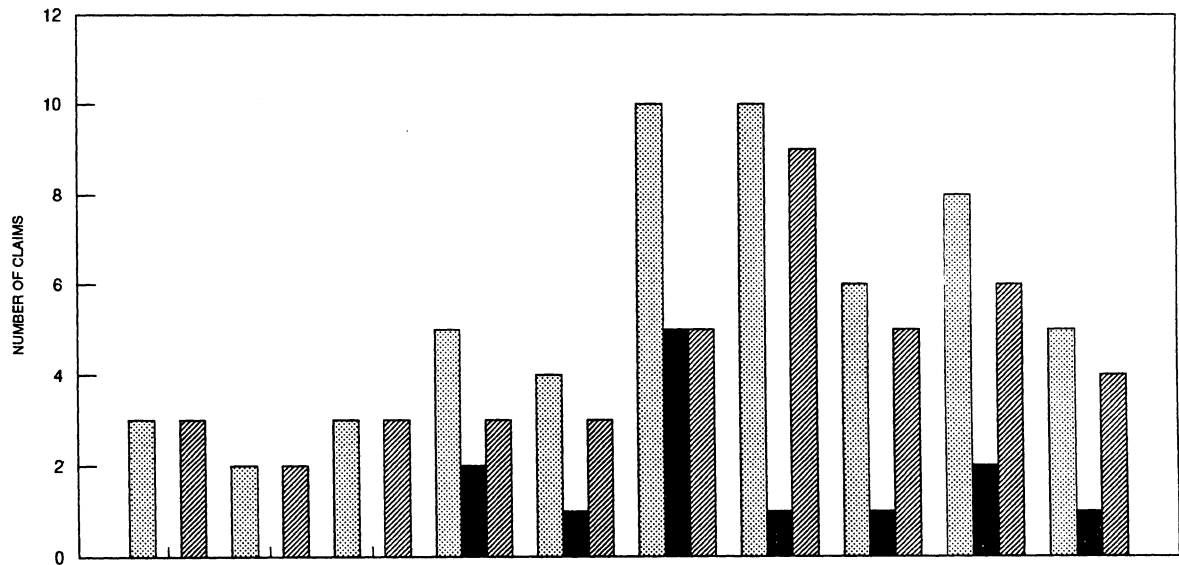
OTHER

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
AVG PAID INDEMNITY	\$0	\$0	\$0	\$625	\$7,500	\$17,360	\$5,000	\$8,750	\$1,968	\$6,556
AVG LOSS EXPENSE	\$0	\$540	\$1,795	\$3,318	\$5,378	\$5,643	\$3,882	\$1,802	\$422	\$7,022

CLAIM COUNT



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
ALL CLAIMS	3	2	3	5	4	10	10	6	8	5
CLOSED WITH PAYMENT	0	0	0	2	1	5	1	1	2	1
CLOSED WITHOUT PAYMENT	3	2	3	3	3	5	9	5	6	4

**TEN YEAR SUMMARY
&
1997 SUMMARY
BY
CLAIM DISPOSITION**

**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
FOR YEARS 1988 - 1997**

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
NOT SPECIFIED	255	73	42.69%	\$5,040	\$367,949	27.29%	\$1,479
BEFORE TRIAL OR HEARING	123	77	45.03%	\$10,320	\$794,677	58.93%	\$5,026
CLAIM OR SUIT ABANDONED	111	2	1.17%	\$3,325	\$6,651	0.49%	\$998
BEFORE FILING SUIT OR DEMANDING HEARING	56	12	7.02%	\$7,647	\$91,762	6.81%	\$868
AFTER JUDGMENT, BEFORE APPEAL	19	0	0.00%	\$0	\$0	0.00%	\$10,733
DURING TRIAL OR HEARING	14	7	4.09%	\$12,480	\$87,362	6.48%	\$8,204
AFTER APPEAL	1	0	0.00%	\$0	\$0	0.00%	\$6,028
TOTAL	579	171	100.00%	\$7,885	\$1,348,401	100.00%	\$2,555

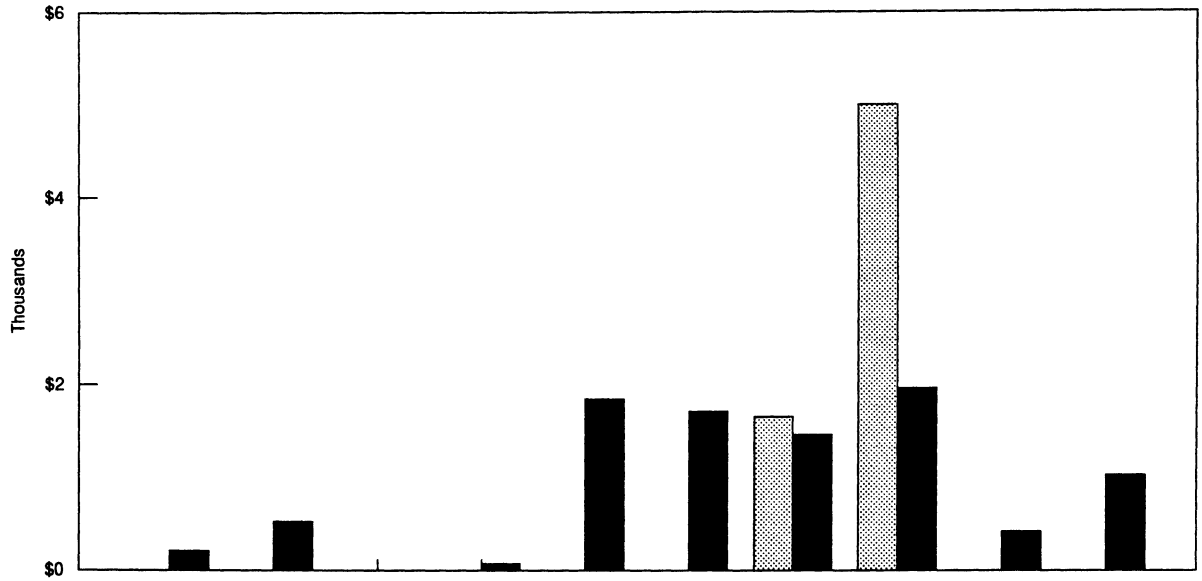
**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
CLAIMS CLOSED IN 1997**

CLAIM DISPOSITION	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
CLAIM OR SUIT ABANDONED	31	0	0.00%	\$0	\$0	0.00%	\$1,029
BEFORE TRIAL OR HEARING	17	11	78.57%	\$5,319	\$58,510	74.45%	\$3,691
BEFORE FILING SUIT OR DEMANDING HEARING	10	3	21.43%	\$6,693	\$20,080	25.55%	\$539
AFTER JUDGMENT, BEFORE APPEAL	3	0	0.00%	\$0	\$0	0.00%	\$15,971
TOTAL	61	14	100.00%	\$5,614	\$78,590	100.00%	\$2,425

**CLAIM DISPOSITION
TRENDS
OF
1997**

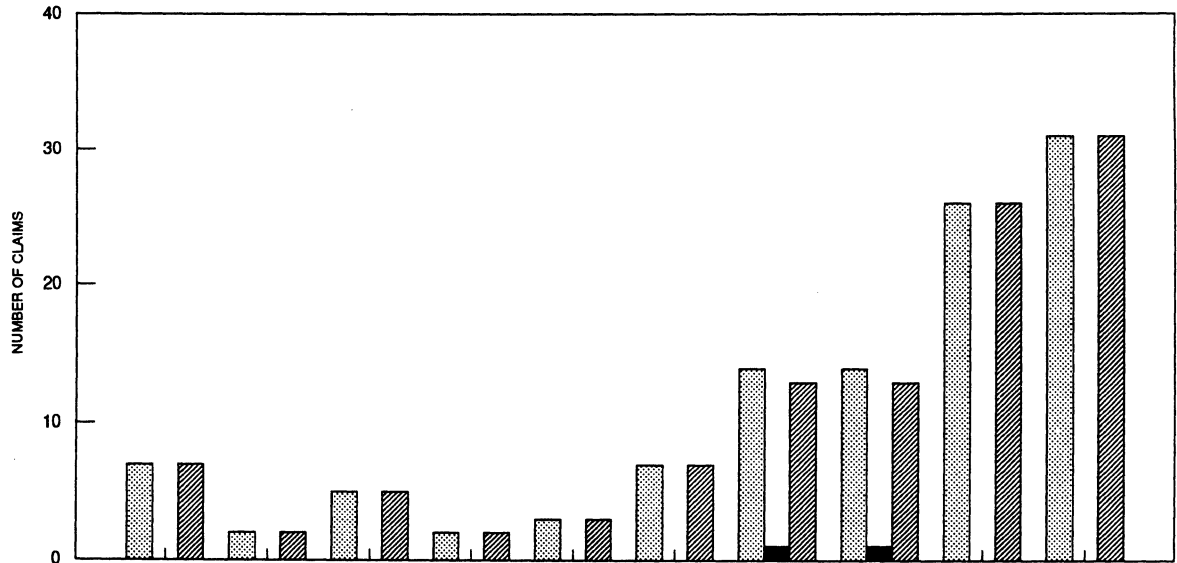
CLAIM OR SUIT ABANDONED

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
AVG PAID INDEMNITY	\$0	\$0	\$0	\$0	\$0	\$0	\$1,651	\$5,000	\$0	\$0
AVG LOSS EXPENSE	\$207	\$525	\$0	\$68	\$1,840	\$1,710	\$1,460	\$1,958	\$420	\$1,029

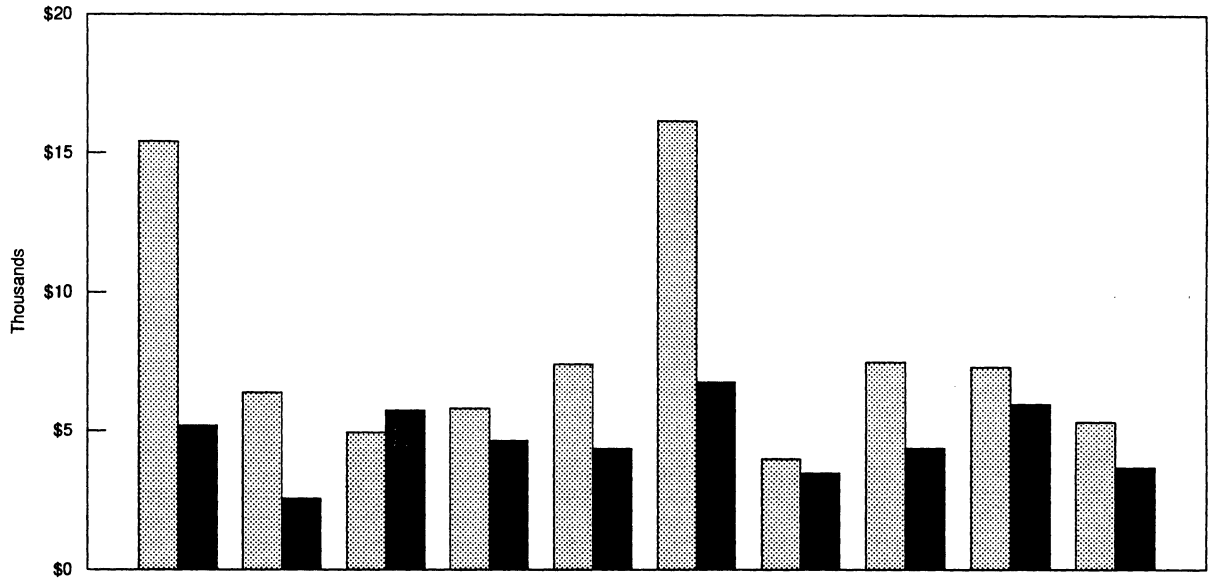
CLAIM COUNT



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
ALL CLAIMS	7	2	5	2	3	7	14	14	26	31
CLOSED WITH PAYMENT	0	0	0	0	0	0	1	1	0	0
CLOSED WITHOUT PAYMENT	7	2	5	2	3	7	13	13	26	31

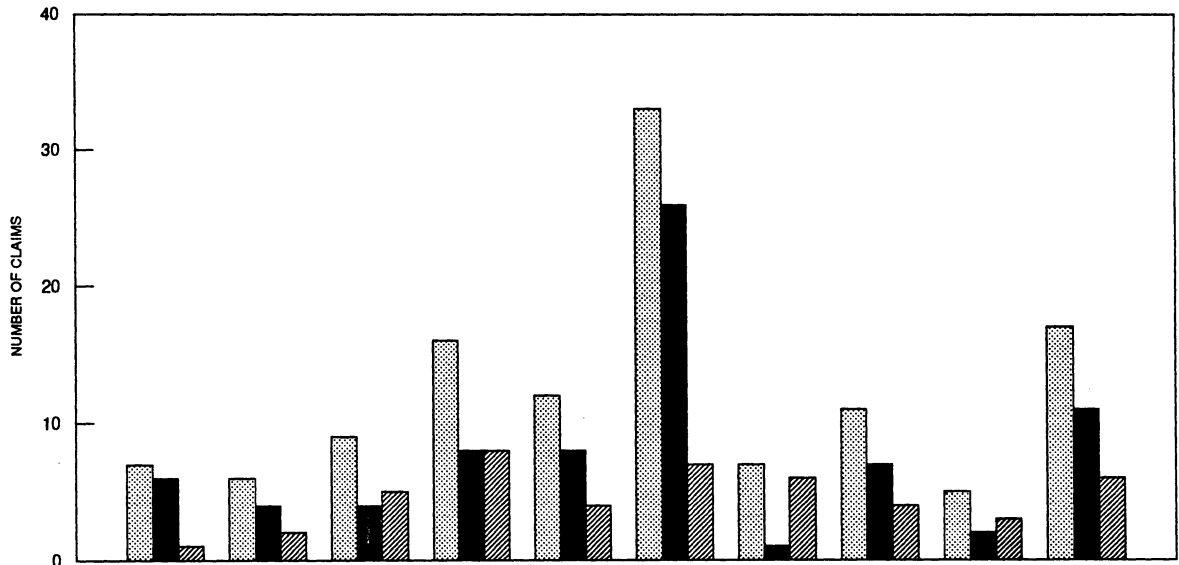
BEFORE TRIAL OR HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
AVG PAID INDEMNITY	\$15,421	\$6,375	\$4,938	\$5,805	\$7,413	\$16,211	\$4,000	\$7,503	\$7,325	\$5,319
AVG LOSS EXPENSE	\$5,192	\$2,565	\$5,735	\$4,629	\$4,367	\$6,765	\$3,488	\$4,380	\$5,961	\$3,691

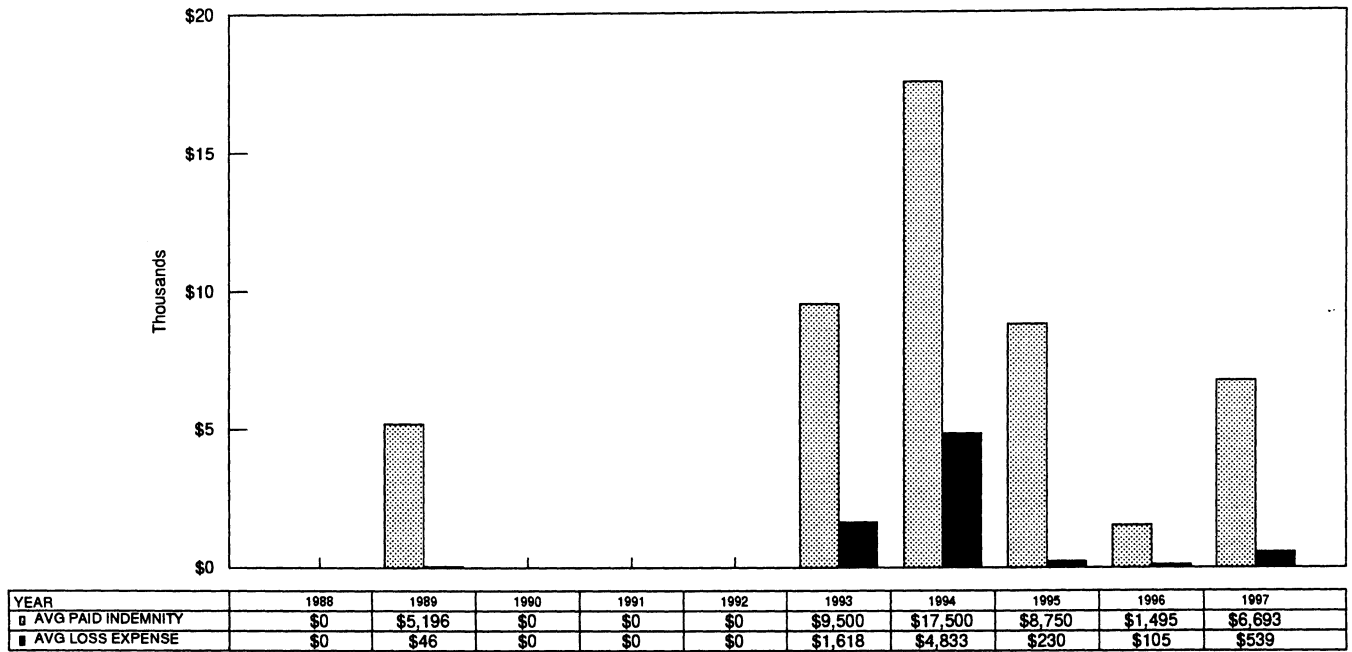
CLAIM COUNT



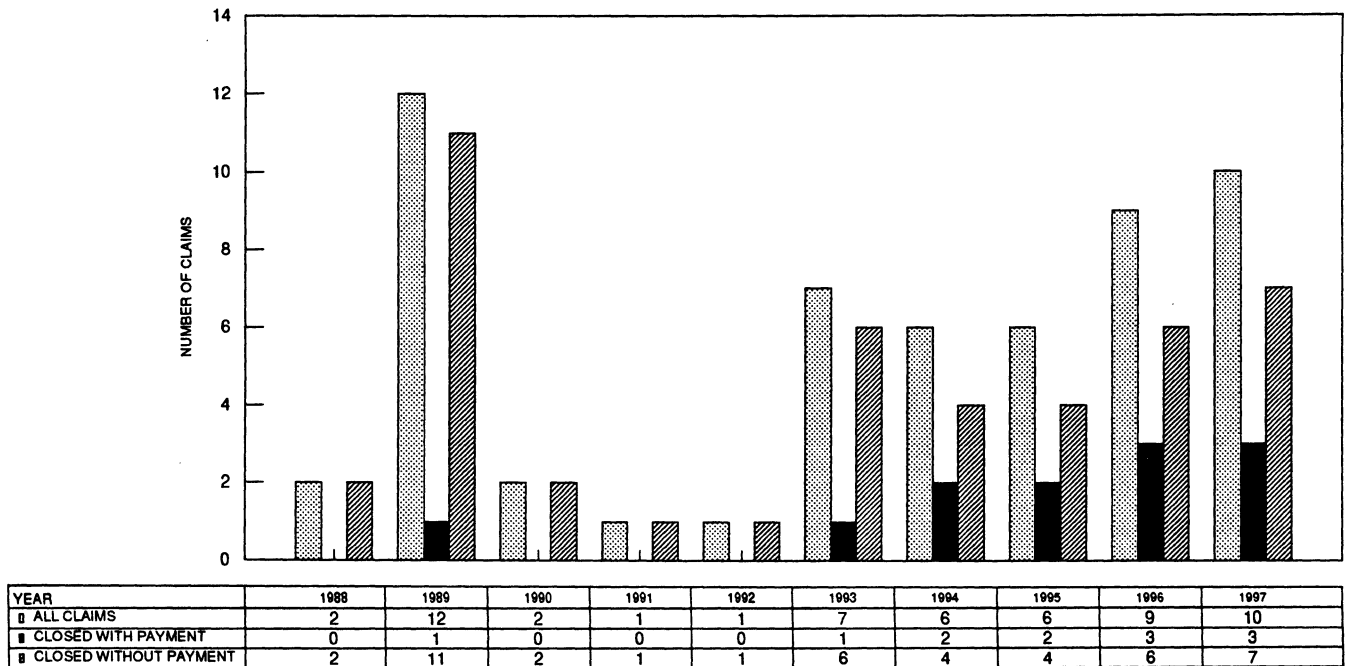
YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
ALL CLAIMS	7	6	9	16	12	33	7	11	5	17
CLOSED WITH PAYMENT	6	4	4	8	8	26	1	7	2	11
CLOSED WITHOUT PAYMENT	1	2	5	8	4	7	6	4	3	6

BEFORE FILING SUIT OR DEMANDING HEARING

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE

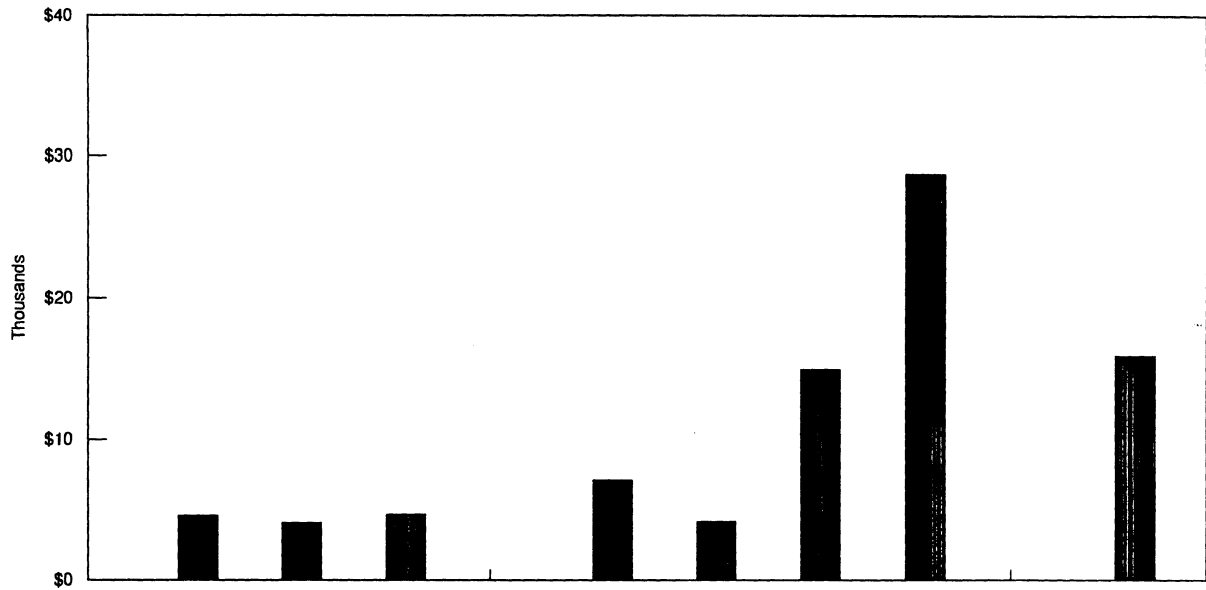


CLAIM COUNT



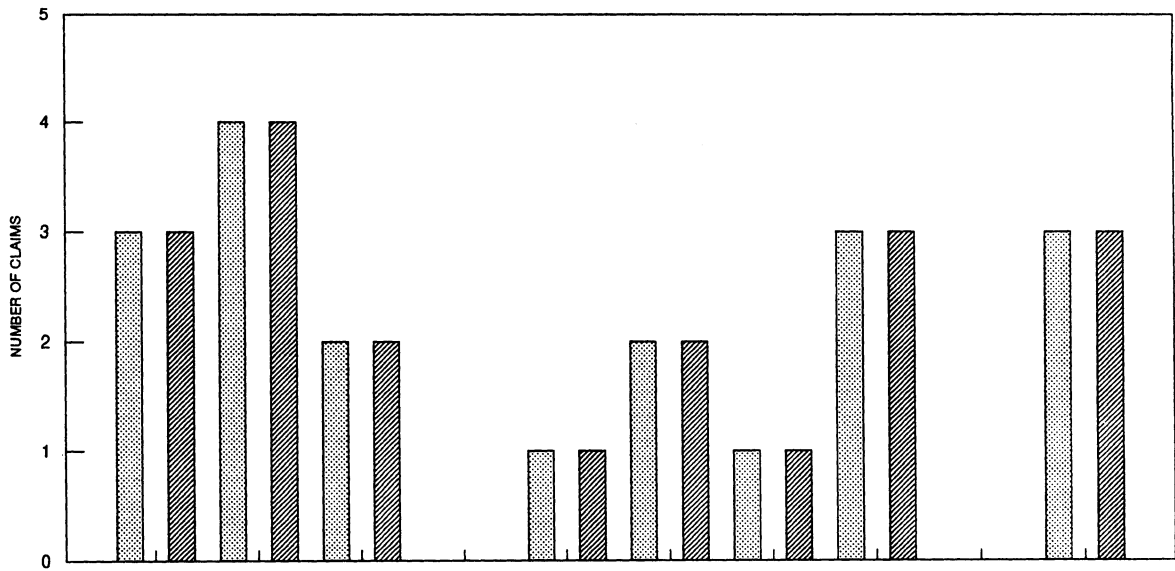
AFTER JUDGMENT, BEFORE APPEAL

AVERAGE PAID INDEMNITY & AVERAGE LOSS EXPENSE



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
■ AVG PAID INDEMNITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
▨ AVG LOSS EXPENSE	\$4,552	\$4,077	\$4,644	\$0	\$7,101	\$4,126	\$14,971	\$28,810	\$0	\$15,971

CLAIM COUNT



YEAR	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
■ ALL CLAIMS	3	4	2	0	1	2	1	3	0	3
▨ CLOSED WITH PAYMENT	0	0	0	0	0	0	0	0	0	0
■ CLOSED WITHOUT PAYMENT	3	4	2	0	1	2	1	3	0	3

**TEN YEAR SUMMARY
&
1997 SUMMARY
BY
YEARS ADMITTED TO PRACTICE**

**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
FOR YEARS 1988 - 1997**

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
NOT SPECIFIED	235	75	43.86%	\$8,763	\$657,241	48.74%	\$1,855
OVER 10 YEARS	181	47	27.49%	\$7,511	\$353,039	26.18%	\$2,956
4 TO 10 YEARS	139	40	23.39%	\$7,550	\$302,020	22.40%	\$3,336
UNDER 4 YEARS	24	9	5.26%	\$4,011	\$36,101	2.68%	\$1,877
TOTAL	579	171	100.00%	\$7,885	\$1,348,401	100.00%	\$2,555

**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
CLAIMS CLOSED IN 1997**

YEARS ADMITTED TO PRACTICE	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
OVER 10 YEARS	31	6	42.86%	\$6,583	\$39,500	50.26%	\$2,790
4 TO 10 YEARS	24	5	35.71%	\$4,937	\$24,686	31.41%	\$1,811
UNDER 4 YEARS	6	3	21.43%	\$4,801	\$14,404	18.33%	\$3,001
TOTAL	61	14	100.00%	\$5,614	\$78,590	100.00%	\$2,425

**TEN YEAR SUMMARY
&
1997 SUMMARY
BY
INSURED/CLAIMANT RELATIONSHIP**

**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
FOR YEARS 1988 - 1997**

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
NON-CONTRACTUAL RELATIONSHIP WITH CLAIMANT	276	87	50.88%	\$9,187	\$799,247	59.27%	\$2,956
NOT SPECIFIED	201	57	33.33%	\$4,678	\$266,620	19.77%	\$1,329
CONTRACTUAL RELATIONSHIP WITH CLAIMANT	102	27	15.79%	\$10,464	\$282,534	20.95%	\$3,889
TOTAL	579	171	100.00%	\$7,885	\$1,348,401	100.00%	\$2,555

**REAL ESTATE MALPRACTICE INSURANCE
INDEMNITY SUMMARY
CLAIMS CLOSED IN 1997**

INSURED'S RELATIONSHIP TO THE CLAIMANT	ALL CLOSED CLAIMS	NUMBER OF PAID CLAIMS	PERCENT OF PAID CLAIMS	AVERAGE INDEMNITY PAID PER PAID CLAIM	TOTAL INDEMNITY	PERCENT OF TOTAL INDEMNITY	AVERAGE LOSS EXPENSE FOR ALL CLOSED CLAIMS
NON-CONTRACTUAL RELATIONSHIP WITH CLAIMANT	52	12	85.71%	\$5,253	\$63,034	80.21%	\$1,410
CONTRACTUAL RELATIONSHIP WITH CLAIMANT	9	2	14.29%	\$7,778	\$15,556	19.79%	\$8,290
TOTAL	61	14	100.00%	\$5,614	\$78,590	100.00%	\$2,425

**PREMIUM
AND
LOSS DATA**

**PAGE 15 SUPPLEMENT REAL ESTATE MALPRACTICE EXPERIENCE
WITH MARKET SHARE**

1997 EXPERIENCE

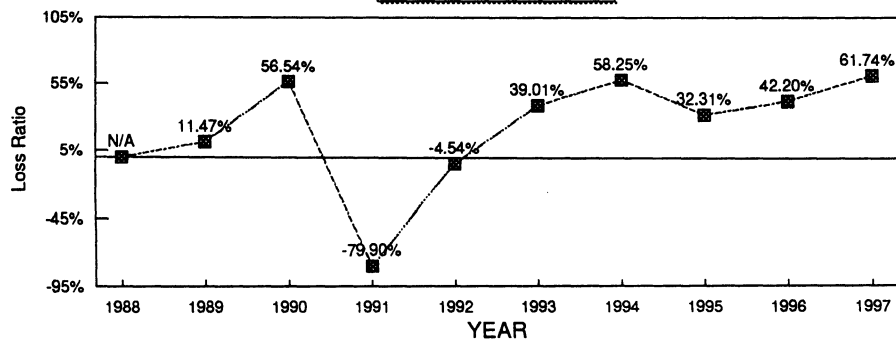
NAIC Company Code	Company Name	Market Share	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
20443	Continental Casualty Company	65.039%	402,983	405,049	179,464	44.31%
39845	Employers Reinsurance Corporation	18.219%	112,885	127,674	(74,329)	-58.22%
25658	Travelers Indemnity Company	7.090%	43,932	58,016	15,316	26.40%
24767	St Paul Fire & Marine Insurance Co	6.559%	40,637	48,287	20,113	41.65%
25895	United States Liability Insurance Co	3.038%	18,822	12,270	0	0.00%
20494	Transportation Insurance Company	0.056%	345	345	0	0.00%
19445	National Union Fire Ins Co of Pittsburg	0.000%	0	0	(2,798)	N/A
20427	American Casualty Co of Reading PA	0.000%	0	0	279,021	N/A
21083	International Insurance Company	0.000%	0	0	(95)	N/A
35742	Acceleration National Ins Co	0.000%	0	0	(14,395)	N/A
Total		100.000%	619,604	651,641	402,297	61.74%

TEN YEAR SUMMARY

Year	Written Premium	Earned Premium	Incurred Losses	Loss Ratio
1988	N/A	N/A	N/A	N/A
1989	800,245	805,834	92,404	11.47%
1990	671,136	745,357	421,437	56.54%
1991	479,109	463,941	(370,701)	-79.90%
1992	215,703	193,117	(8,765)	-4.54%
1993	332,664	316,333	123,417	39.01%
1994	721,963	591,594	344,609	58.25%
1995	816,737	769,978	248,795	32.31%
1996	657,869	686,562	289,707	42.20%
1997	619,604	651,641	402,297	61.74%
10-Year Total	5,315,030	5,224,357	1,543,200	29.54%

LOSS RATIOS

1988 - 1997



DEFINITION OF TERMS

Market Share: The dollar amount of direct premium written by an insurer divided by the total amount of direct premiums written industry-wide for the particular line of business being analyzed, expressed as a percentage.

Written Premium: Amount charged when a policyholder contracts for insurance coverage before reinsurance has been ceded and/or assumed.

Earned Premium: The part of premium attributable to the coverage already provided in a given period before reinsurance has been ceded and/or assumed.

Incurred Losses: The sum of direct losses paid plus an estimate at the close of the year of the amounts to be paid in the future for all claims arising from the current and all prior years, minus the corresponding estimate made at the close of business for the preceding year. Incurred losses reported include estimated amounts unpaid for incurred-but-not-reported (IBNR) claims.

Loss Ratio: The dollar amount of direct losses incurred divided by the dollar amount of premiums earned for the particular line of business being analyzed, expressed as a percentage. This is an accounting representation of the portion of each premium dollar which is needed to honor a company's promise to pay claims.

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